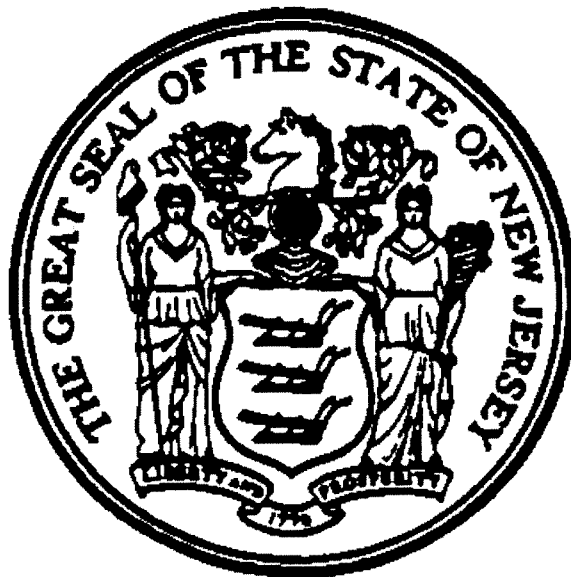


QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

FOR THE QUARTER ENDED MARCH 31, 2004

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



BALANCE SHEETS

AS OF MARCH 31, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | MARCH 2004 | MARCH 2003 |
|-------------|--|---------------|---------------|
| | ASSETS | | |
| | Current Assets: | | |
| 1 | Cash and Cash Equivalents..... | 41,984 | 41,037 |
| 2 | Short-Term Investments..... | - | - |
| 3 | Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2004, \$10,329; 2003, \$9,770)..... | 14,216 | 15,488 |
| 4 | Inventories..... | 4,599 | 4,831 |
| 5 | Prepaid Expenses and Other Current Assets..... | 3,554 | 5,259 |
| 6 | Total Current Assets..... | 64,353 | 66,615 |
| 7 | Investments, Advances, and Receivables - CRDA..... | 11,318 | 11,309 |
| 8 | Property and Equipment - Gross..... | 1,147,605 | 1,120,489 |
| 9 | Less: Accumulated Depreciation and Amortization..... | (294,098) | (258,474) |
| 10 | Property and Equipment - Net..... | 853,507 | 862,015 |
| 11 | Other Assets..... NOTE 5..... | 9,303 | 11,901 |
| 12 | Total Assets..... | 938,481 | 951,840 |
| | LIABILITIES AND EQUITY | | |
| | Current Liabilities: | | |
| 13 | Accounts Payable..... | 16,391 | 14,309 |
| 14 | Notes Payable..... | - | - |
| | Current Portion of Long-Term Debt: | | |
| 15 | Due to Affiliates..... | - | - |
| 16 | Other..... NOTE 3..... | 12,688 | 5,593 |
| 17 | Income Taxes Payable and Accrued..... | 4,480 | 2,478 |
| 18 | Other Accrued Expenses..... | 28,283 | 21,635 |
| 19 | Other Current Liabilities..... | 8,500 | 8,073 |
| 20 | Total Current Liabilities..... | 70,342 | 52,088 |
| | Long-Term Debt: | | |
| 21 | Due to Affiliates..... NOTE 3..... | 836,483 | 836,331 |
| 22 | Other..... NOTE 3..... | 16,029 | 8,777 |
| 23 | Deferred Credits..... | - | - |
| 24 | Other Liabilities..... | 400 | 973 |
| 25 | Commitments and Contingencies..... NOTE 7..... | - | - |
| 26 | Total Liabilities..... | 923,254 | 898,169 |
| 27 | Stockholders', Partners', or Proprietor's Equity..... NOTE 6..... | 15,227 | 53,671 |
| 28 | Total Liabilities and Equity..... | 938,481 | 951,840 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | 2004 (c) | 2003 (d) |
|-------------|--|-------------|-------------|
| | REVENUE: | | |
| 1 | Casino..... | 117,723 | 123,232 |
| 2 | Rooms..... | 7,220 | 7,653 |
| 3 | Food and Beverage..... | 12,578 | 12,829 |
| 4 | Other..... | 4,660 | 3,595 |
| 5 | Total Revenue..... | 142,181 | 147,309 |
| 6 | Less: Promotional Allowances..... | 29,454 | 28,774 |
| 7 | Net Revenue..... | 112,727 | 118,535 |
| | COSTS AND EXPENSES: | | |
| 8 | Cost of Goods and Services..... | 67,155 | 69,972 |
| 9 | Selling, General and Administrative..... | 18,124 | 18,455 |
| 10 | Provision for Doubtful Accounts..... | 728 | 1,263 |
| 11 | Total Costs and Expenses..... | 86,007 | 89,690 |
| 12 | Gross Operating Profit..... | 26,720 | 28,845 |
| 13 | Depreciation and Amortization..... | 12,490 | 10,359 |
| | Charges from Affiliates Other than Interest..... | - | - |
| 14 | Management Fees..... | - | - |
| 15 | Other..... NOTE 5..... | 1,632 | 1,658 |
| 16 | Income (Loss) from Operations..... | 12,598 | 16,828 |
| | Other Income (Expenses): | | |
| 17 | Interest Income (Expense) - Affiliates..... NOTE 3..... | (24,114) | (24,184) |
| 18 | Interest Income (Expense) - External..... NOTE 3..... | (489) | (369) |
| 19 | Investment Alternative Tax and Related Income (Expense) - Net..... | (496) | (850) |
| 20 | Nonoperating Income (Expense) - Net..... | (6) | 53 |
| 21 | Total Other Income (Expenses)..... | (25,105) | (25,350) |
| 22 | Income (Loss) Before Income Taxes and Extraordinary Items..... | (12,507) | (8,522) |
| 23 | Provision (Credit) for Income Taxes..... | 599 | 534 |
| 24 | Income (Loss) Before Extraordinary Items..... | (13,106) | (9,056) |
| 25 | Extraordinary Items (Net of Income Taxes- 2004, \$ ____ ; 2003, \$ ____)..... | - | - |
| 26 | Net Income (Loss)..... | (13,106) | (9,056) |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003
AND THE THREE MONTHS ENDED MARCH 31, 2004

(UNAUDITED)
(\$ IN THOUSANDS)

| Line (a) | Description (b) | Contributed Capital (c) | Accumulated Earnings (Deficit) (d) | <u> </u> <u> </u> (e) | Total Equity (Deficit) (f) |
|-------------|--|-------------------------------|---|---|-------------------------------------|
| 1 | Balance, December 31, 2002..... | \$72,501 | (\$7,764) | | \$64,737 |
| 2 | Net Income (Loss) - 2003..... | | (28,002) | | (28,002) |
| 3 | Capital Contributions..... | | | | 0 |
| 4 | Capital Withdrawals..... | | | | |
| 5 | Partnership Distributions..... NOTE 6..... | (7,917) | | | (7,917) |
| 6 | Prior Period Adjustments..... | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | Balance, December 31, 2003..... | 64,584 | (35,766) | | 28,818 |
| 11 | Net Income (Loss) - 2004..... | | (13,106) | | (13,106) |
| 12 | Capital Contributions..... | | | | |
| 13 | Capital Withdrawals..... | | | | |
| 14 | Partnership Distributions..... NOTE 6..... | (485) | | | (485) |
| 15 | Prior Period Adjustments..... | | | | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | | | | | |
| 19 | Balance, March 31, 2004..... | \$64,099 | (\$48,872) | | \$15,227 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | 2004 (c) | 2003 (d) |
|-------------|--|-------------|-------------|
| 1 | NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES..... | 9,641 | (1,629) |
| | CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| 2 | Purchase of Short-Term Investment Securities..... | - | - |
| 3 | Proceeds from the Sale of Short-Term Investment Securities..... | - | - |
| 4 | Cash Outflows for Property and Equipment..... | (2,950) | (5,145) |
| 5 | Proceeds from Disposition of Property and Equipment..... | - | - |
| 6 | Purchase of Casino Reinvestment Obligations..... | (1,480) | (1,521) |
| 7 | Purchase of Other Investments and Loans/Advances made..... | - | - |
| 8 | Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables..... | - | - |
| 9 | Cash Outflows to Acquire Business Entities..... | - | - |
| 10 | | - | - |
| 11 | | - | - |
| 12 | Net Cash Provided (Used) by Investing Activities..... | (4,430) | (6,666) |
| | CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| 13 | Cash Proceeds from Issuance of Short-Term Debt..... | - | - |
| 14 | Payments to Settle Short-Term Debt..... | - | - |
| 15 | Cash Proceeds from Issuance of Long-Term Debt..... | - | - |
| 16 | Costs of Issuing Debt..... | - | - |
| 17 | Payments to Settle Long-Term Debt..... | (3,287) | (1,469) |
| 18 | Cash Proceeds from Issuing Stock or Capital Contributions..... | - | - |
| 19 | Purchases of Treasury Stock..... | - | - |
| 20 | Payments of Dividends or Capital Withdrawals | - | - |
| 21 | Partnership Distribution | (485) | (2,010) |
| 22 | Cash Disbursed for Capital Contribution | - | - |
| 23 | Net Cash Provided (Used) by Financing Activities..... | (3,772) | (3,479) |
| 24 | Net Increase (Decrease) in Cash and Cash Equivalents..... | 1,439 | (11,774) |
| 25 | Cash and Cash Equivalents at Beginning of Period..... | 40,545 | 52,811 |
| 26 | Cash and Cash Equivalents at End of Period..... | 41,984 | 41,037 |
| | CASH PAID DURING PERIOD FOR: | | |
| 27 | Interest (Net of Amount Capitalized)..... | 23,990 | 31,536 |
| 28 | Income Taxes..... | 88 | - |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | 2004 (c) | 2003 (d) |
|-------------|---|-------------|-------------|
| | NET CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| 29 | Net Income (Loss)..... | (13,106) | (9,056) |
| | Noncash Items Included in Income and Cash Items Excluded from Income: | | |
| 30 | Depreciation and Amortization of Property and Equipment..... | 12,490 | 10,359 |
| 31 | Amortization of Other Assets (Bond Discount)..... | 37 | 41 |
| 32 | Amortization of Debt Discount or Premium..... | 544 | 610 |
| 33 | Deferred Income Taxes - Current..... | - | - |
| 34 | Deferred Income Taxes - Noncurrent..... | - | - |
| 35 | (Gain) Loss on Disposition of Property and Equipment..... | - | - |
| 36 | (Gain) Loss on Casino Reinvestment Obligations..... | 496 | 850 |
| 37 | (Gain) Loss from Other Investment Activities..... | - | - |
| 38 | Net (Increase) Decrease in Receivables and Patrons' Checks..... | 1,914 | 121 |
| 39 | Net (Increase) Decrease in Inventories..... | 211 | 315 |
| 40 | Net (Increase) Decrease in Other Current Assets..... | 586 | 527 |
| 41 | Net (Increase) Decrease in Other Assets..... | 1,462 | (6,919) |
| 42 | Net Increase (Decrease) in Accounts Payable..... | 4,080 | 1,688 |
| 43 | Net Increase (Decrease) in Other Current Liabilities Excluding Debt..... | 927 | (165) |
| 44 | Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt..... | - | - |
| 45 | | - | - |
| 46 | | - | - |
| 47 | Net Cash Provided (Used) by Operating Activities..... | 9,641 | (1,629) |

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

| | | | |
|----|---|----------|-------|
| | ACQUISITION OF PROPERTY AND EQUIPMENT: | | |
| 48 | Additions to Property and Equipment..... | 14,736 | 5,145 |
| 49 | Less: Capital Lease Obligations Incurred..... | (11,786) | - |
| 50 | Cash Outflows for Property and Equipment..... | 2,950 | 5,145 |
| | ACQUISITION OF BUSINESS ENTITIES: | | |
| 51 | Property and Equipment Acquired..... | - | - |
| 52 | Goodwill Acquired..... | - | - |
| 53 | Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment..... | - | - |
| 54 | Long-Term Debt Assumed..... | - | - |
| 55 | Issuance of Stock or Capital Invested..... | - | - |
| 56 | Cash Outflows to Acquire Business Entities..... | 0 | 0 |
| | STOCK ISSUED OR CAPITAL CONTRIBUTIONS: | | |
| 57 | Total Issuances of Stock or Capital Contributions/Partnership Distribution..... | - | - |
| 58 | Plus: Issuances of Long-Term Debt to Affiliates, Net of Costs..... | - | - |
| 59 | Plus: Elimination of Amounts Due from Affiliates..... | - | - |
| 60 | Cash Proceeds from Issuing Stock or Capital Contributions..... | 0 | 0 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 2004

| Line (a) | (b) | Promotional Allowances | | Promotional Expenses | |
|-------------|------------------|--------------------------------|-------------------------|--------------------------------|-------------------------|
| | | Number of Recipients (c) | Dollar Amount (d) | Number of Recipients (e) | Dollar Amount (f) |
| 1 | Rooms | 76,536 | \$ 5,515 | | |
| 2 | Food | 451,903 | 5,777 | | |
| 3 | Beverage | 1,625,557 | 2,556 | | |
| 4 | Travel | | | 16,224 | \$ 1,688 |
| 5 | Bus Program Cash | 130,031 | 1,757 | | |
| 6 | Other Cash Comps | 423,018 | 13,254 | | |
| 7 | Entertainment | 8,554 | 393 | 6,579 | 227 |
| 8 | Retail & Gifts | | | 44,074 | 1,468 |
| 9 | Parking | | | | |
| 10 | Other * | 2,787 | 202 | 22,581 | 349 |
| 11 | Total | 2,718,386 | \$ 29,454 | 89,458 | \$ 3,732 |

* No complimentary service or item within Other exceeds 5% of the total.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004
(Unaudited)

NOTE 1 - ORGANIZATION AND OPERATIONS

Trump Taj Mahal Associates, a New Jersey general partnership ("Taj Associates" or the "Company") is 100% beneficially owned by Trump Atlantic City Associates, a New Jersey general partnership ("Trump AC"). Trump AC is 100% beneficially owned by Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership ("THCR Holdings") of which Trump Hotels & Casino Resorts, Inc., a Delaware corporation ("THCR"), is the sole general partner. In addition, Trump AC beneficially wholly owns Trump Plaza Associates, a New Jersey general partnership ("Plaza Associates"), which owns and operates the Trump Plaza Hotel and Casino located in Atlantic City, New Jersey.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. The Atlantic City market is very competitive, especially since the opening of the Borgata Casino Hotel and Spa by a joint venture of MGM Mirage and Boyd Gaming in Atlantic City's marina district in July 2003, and is anticipated to become more competitive in the future. Taj Associates derives its revenue from casino operations, room rental, food and beverage sales and entertainment revenue.

THCR and its subsidiaries are very highly leveraged, with extensive secured borrowings by its operating level subsidiaries, including the Trump AC Mortgage Notes. Trump AC has incurred recurring operating losses, which totaled \$14.0 million, \$3.4 million, and \$53.9 million during the years ended December 31, 2001, 2002, and 2003, respectively and has a working capital deficit of \$59.0 million at March 31, 2004. The recurring operating losses are primarily the result of substantial debt service obligations on outstanding indebtedness. In 2004, Trump AC's debt service obligation is approximately \$155 million. Due to these factors, Trump AC has not been able to expand its operations or reinvest in the maintenance of its owned properties at desired levels. Furthermore, Trump AC does not currently have any short-term borrowing capacity available. Although Trump AC anticipates that it will have sufficient funds on hand to provide for the scheduled debt service obligations on its outstanding indebtedness during 2004 within applicable grace periods, there can be no assurances such funds will be available.

As a result of these factors, management has reviewed various financing alternatives. As discussed in Note 2 the Company's parent company, THCR, announced that it has entered into an exclusivity agreement with DLJ Merchant Banking Partners III, L.P. ("DLJMB") in connection with a proposed \$400 million equity investment by DLJMB to sponsor a comprehensive recapitalization of THCR and its subsidiaries. On the same date as the announcement of the Potential Recapitalization, certain credit agencies downgraded certain of THCR's indebtedness, including the Trump AC Mortgage Notes. The Potential Recapitalization is contingent upon a variety of factors. No assurances can be made that the Potential Recapitalization will occur, or if it does occur, that it will occur on terms acceptable to THCR to allow THCR and its subsidiaries to meet their obligations as they become due. Additionally, management has implemented programs to obtain cash flow savings and will continue to attempt to implement such programs in the upcoming year if the Potential Recapitalization does not occur. These programs include labor savings through increased automation of the Company's slot machine product on the gaming floor and the further reduction of planned capital expenditures and maintenance programs. However, there can be no assurances that these programs would be successful for any protracted period of time. Accordingly, the financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets, or the amounts and classification of liabilities that may result from the outcome of this uncertainty or the comprehensive recapitalization.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004
(Unaudited)

Subject to the foregoing, the accompanying financial statements have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

As previously announced in their respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2003, THCR and Trump AC anticipates, but cannot ensure, that Trump AC will have sufficient funds from operations on hand to provide for the May 1, 2004 installment of interest then due and payable on the Trump AC Mortgage Notes within the 30-day grace period provided under the indentures governing such indebtedness.

The accompanying financial statements have been prepared pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the "CCC"). Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in Taj Associates' December 31, 2003 Quarterly Report as filed with the CCC.

The casino industry in Atlantic City is seasonal in nature with the peak season being the spring and summer months; therefore, results of operations for the three months ended March 31, 2004 and 2003 are not necessarily indicative of the operating results for a full year.

Reclassifications

Certain reclassifications and disclosures have been made to prior year financial statements in order to conform to the current year presentation.

NOTE 2 - POTENTIAL RECAPITALIZATION

On February 12, 2004, THCR, our ultimate parent company, announced that it has entered into an exclusivity agreement with DLJMB, an affiliate of Credit Suisse First Boston, in connection with a proposed \$400 million equity investment by DLJMB to sponsor a comprehensive recapitalization of THCR and its subsidiaries, including Trump AC and its subsidiaries (the "Potential Recapitalization"). Consummation of such recapitalization is subject to a variety of conditions, as discussed below. DLJMB's proposed investment is expected to be in the form of THCR's common stock, and is expected, if consummated, to result in a substantial deleveraging of THCR's balance sheet. DLJMB would also become the majority shareholder of THCR, with Donald J. Trump continuing as the Chairman of THCR's Board of Directors and as a significant equity holder.

DLJMB's investment is contingent upon a number of factors, including (i) obtaining approvals from the casino gaming regulatory authorities, (ii) a restructuring of the Trump AC Mortgage Notes (\$1.3 billion outstanding at March 31, 2004) and the Trump Casino Holdings, LLC, an affiliate of the Company ("TCH") 11.625% First Priority Mortgage Notes due 2010 (the "TCH First Priority Mortgage Notes") and TCH's 17.625% Second Priority Mortgage Notes due 2010 (the "TCH Second Priority Mortgage Notes", and together with the TCH First Priority Mortgage Notes, the "TCH Notes") (approximately \$493.8 million outstanding at March 31, 2004) at a discount to the face amount of such notes, and (iii) agreeing upon a purchase price for THCR's common stock with DLJMB.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2004

(Unaudited)

Certain holders of the Trump AC Mortgage Notes have formed a committee, (the "TACA Noteholder Committee"), to discuss the Potential Recapitalization with THCR, and the TACA Noteholder Committee has also engaged advisors. Certain holders of the TCH First Priority Mortgage Notes have also formed a committee, (the "TCH Noteholder Committee"), and have also engaged advisors. THCR and DLJMB have proposed certain key terms of the Potential Recapitalization to the Trump AC Noteholder Committee and the TCH Noteholder Committee which may be different than the terms of a consummated recapitalization plan, if any.

Although THCR has had extensive discussions with DLJMB regarding the Potential Recapitalization, it has not entered into any definitive agreements with DLJMB or any other parties, including note holders, concerning the proposed DLJMB transaction or any other recapitalization (other than the exclusivity agreement with DLJMB and an agreement to pay DLJMB expenses in certain circumstances and a substantial fee if certain transactions occur within specified periods and DLJMB does not participate). There is no assurance that the terms of a definitive agreement concerning DLJMB's proposed investment in THCR will be reached between THCR and DLJMB, that THCR's debt will be restructured, or that any transaction will be consummated. Furthermore, the impact of the Potential Recapitalization on existing security holders is uncertain. As noted above, the Potential Recapitalization is conditioned upon the holders of the Trump AC Mortgage Notes and the TCH Notes agreeing to a reduction in the face amount of their notes.

If the Potential Recapitalization or other recapitalization plan is not consummated, THCR will continue to consider alternatives to optimize stakeholder return, reduce its consolidated indebtedness and improve its capital structure, including the alternatives described above and others. There is no assurance that any such alternatives will be achieved.

NOTE 3 - LONG-TERM DEBT

Long-term debt consists of the following:

| | <u>March 31,</u> <u>2004</u> | <u>March 31,</u> <u>2003</u> |
|--|---------------------------------|---------------------------------|
| Note Payable - Trump AC and Trump AC Funding 11.25% First Mortgage Notes, due 2006 (a) | \$ 800,000,000 | \$ 800,000,000 |
| Note Payable - Trump AC, Trump AC Funding II and Trump AC Funding III 11.25% First Mortgage Notes, due 2006, net of unamortized discount of \$267,000 and \$419,000 respectively (b) | 36,483,000 | 36,331,000 |
| Capitalized lease obligations (c) | <u>28,717,000</u> | <u>14,370,000</u> |
| | 865,200,000 | 850,701,000 |
| Less: Current maturities | <u>(12,688,000)</u> | <u>(5,593,000)</u> |
| | <u>\$ 852,512,000</u> | <u>\$ 845,108,000</u> |

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004
(Unaudited)

(a) In April 1996, Trump AC and Trump Atlantic City Funding, Inc., a wholly owned subsidiary of Trump AC ("Trump AC Funding"), issued \$1,200,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC I Notes"). Interest on the TAC I Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest, jointly and severally, by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The TAC I Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Taj Associates and Plaza Associates. The indenture pursuant to which the TAC I Notes were issued restricts the ability of Trump AC and its subsidiaries to make distributions or to pay dividends, as the case may be, unless certain financial ratios are achieved. In addition, the ability of Taj Associates and Plaza Associates to make payments of dividends or distributions (except for payment of interest) through Trump AC to THCR Holdings may be restricted by the CCC.

(b) In December 1997, Trump AC and Trump Atlantic City Funding II, Inc. ("Trump AC Funding II") issued \$75,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC II Notes"). In December 1997, Trump AC and Trump Atlantic City Funding III, Inc. ("Trump AC Funding III") issued \$25,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC III Notes" and together with the TAC I Notes and TAC II Notes, the "Trump AC Mortgage Notes").

From the proceeds of the issuance of the Trump AC Mortgage Notes, Trump AC loaned \$800,000,000 and \$36,750,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the Trump AC Mortgage Notes.

(c) Interest on these leases are payable with interest rates ranging from 6.0% to 18.2%. The leases are due at various dates between 2004 and 2007 and are secured by the equipment financed.

The Trump AC Mortgage Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, certain capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions.

NOTE 4 - RECENT ACCOUNTING PRONOUNCEMENTS

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities, an interpretation of ARB 51." The primary objectives of this interpretation are to provide guidance on the identification of entities for which control is achieved through means other than through voting rights ("variable interest entities") and how to determine when and which business enterprise (the "primary beneficiary") should consolidate the variable interest entity. This new model for consolidation applies to an entity in which either (i) the equity investors (if any) do not have a controlling financial interest; or (ii) the equity investment at risk is insufficient to finance that entity's activities without receiving additional subordinated financial support from other parties. In addition, FIN 46 requires that the primary beneficiary, as well as all other enterprises with a significant variable interest in a variable interest entity, make additional disclosures. Certain disclosure requirements of FIN 46 were effective for financial statements issued after January 31, 2003. In December 2003, the FASB issued FIN 46 (revised December 2003), "Consolidation of Variable Interest Entities" ("FIN 46-R") to address certain FIN 46 implementation issues. The effective dates and impact of FIN 46 and FIN 46-R are as follows: (i) Special-purpose entities ("SPEs") created prior to February 1, 2003- the company must apply either the provisions of FIN 46 or early adopt the provisions of FIN 46-R at the end of the first interim or annual reporting period ending after December 15, 2003; (ii) Non-SPEs created prior to February 1, 2003 the company is required to adopt FIN 46-R at the end of the first interim or annual reporting period ending after March 15, 2004; and (iii) All entities,

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004
(Unaudited)

regardless of whether an SPE, that were created subsequent to January 31, 2003- the provisions of FIN 46 were applicable for variable interests in entities obtained after January 31, 2003. The adoption of the provisions applicable to SPEs and all other variable interests obtained after January 31, 2003 did not have a material impact on Taj Associates consolidated financial position, consolidated results of operations, or liquidity. Adoption of this pronouncement had no material impact on Taj Associates consolidated financial position, consolidated results of operation, or liquidity.

NOTE 5 - TRANSACTIONS WITH AFFILIATES

Taj Associates has engaged in certain transactions with Donald J. Trump ("Mr. Trump") and entities that are wholly or partially owned by Mr. Trump. Amounts receivable/(payable) at March 31 are as follows:

| | March 31, 2004 | March 31, 2003 |
|---|---------------------|---------------------|
| Trump Marina Associates ("Marina Associates") | \$ 34,000 | \$ 24,000 |
| Plaza Associates | 44,000 | 185,000 |
| Trump Indiana, Inc. | (98,000) | — |
| Trump Administration | (2,649,000) | (57,000) |
| Trump AC | 4,926,000 | 2,000,000 |
| | <u>\$ 2,257,000</u> | <u>\$ 2,152,000</u> |

Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities owned by Mr. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance and payroll costs as well as complimentary services offered to customers.

Trump Taj Mahal Associates Administration, a separate division of Taj Associates ("Trump Administration") was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to Taj Associates, Plaza Associates and Marina Associates. Management believes that Trump Administration's services will continue to result in substantial cost savings and operational synergies.

NOTE 6 - PARTNERSHIP DISTRIBUTION

Pursuant to the indentures governing the Trump AC Mortgage Notes, Trump AC is permitted to reimburse THCR for its operating and interest expenses. These reimbursements are subject to limitations set forth in such indentures, including an annual limitation of \$10,000,000 in operating expense reimbursements and a life- time limitation of \$50,000,000 in interest expense reimbursements.

As such, Trump AC's subsidiaries, Taj Associates and Plaza Associates are permitted to reimburse Trump AC for its interest expenses and operating expense reimbursements to THCR. During the three months ended March 31, 2004 and 2003, Taj Associates declared cash partnership distributions to Trump AC of \$485,000 and \$2,010,000, respectively consisting of operating expense reimbursements.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Taj Associates, certain members of its former executive committee and certain of its employees have been involved in various legal proceedings. In general, Taj Associates has agreed to indemnify such persons against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings.

Various legal proceedings are now pending against Taj Associates. Taj Associates considers all such proceedings to be ordinary litigation incident to the character of its business. Taj Associates believes that the resolution of these claims will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations.

Taj Associates is also a party to various administrative proceedings involving allegations that it has violated certain provisions of the Casino Control Act. Taj Associates believes that the final outcome of these proceedings will not, either individually or in the aggregate, have a material adverse effect on its financial condition, results of operations or on the ability of Taj Associates to otherwise retain or renew any casino or other licenses required under the Casino Control Act for the operation of the property.

Federal Income Tax Examination

Taj Associates is currently involved in an examination with the Internal Revenue Service ("IRS") concerning Taj Associates' federal partnership income tax returns for the tax years 1994 through 1996. While any adjustment which results from this examination could affect Taj Associates' state income tax return, Taj Associates does not believe that adjustments, if any, will have a material adverse effect on its financial condition or results of operations.

NOTE 8 - SUBSEQUENT EVENTS

Trump AC Mortgage Notes; May 2004 Interest Payment. Trump AC anticipates making the May 1, 2004 installment of interest on the Trump AC Mortgage Notes within the 30-day grace period provided under the indentures governing such indebtedness. Trump AC anticipates, but cannot ensure, that it will have sufficient funds from operations on hand to provide for such interest within the grace period.

NJSEA Subsidy Agreement. On April 12, 2004, the twelve Atlantic City casino properties, including Taj Associates, executed an agreement with the New Jersey Sports & Exposition Authority ("NJSEA") and the Casino Reinvestment Development Authority ("CRDA") to, among other things, enhance purses, fund breeder's awards and establish account wagering at New Jersey horse racing tracks ("NJSEA Subsidy Agreement").

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MARCH 31, 2004
(Unaudited)

The NJSEA Subsidy Agreement provides that the casinos, pro rata according to their gross revenue, shall: (a) provide \$34 million to NJSEA in cash, over a four year period, and donate \$52 million to NJSEA from the regular payment of their CRDA obligations to, in the aggregate, be used by NJSEA through 2008 to enhance such purses, fund such breeder's awards and establish such account wagering; and (b) donate \$10 million from the regular payment of their CRDA obligations to be used by CRDA as grants to such other North Jersey projects as it shall determine. Taj Associates has estimated its portion of the industry obligation at approximately 10.0%.

The NJSEA Subsidy Agreement further provides, with respect to the obligations of NJSEA and CRDA, for: (a) legislation by December 2004 which establishes and funds a \$62 million Casino Expansion Fund to be administered by CRDA and made available pro rata to each casino for use in expanding its casino hotel facility in the amounts of and at the times at which it makes its donation payments to CRDA ("Casino Expansion Fund Act"); (b) a moratorium until January 2009, which casinos may enforce by court injunction, on the conduct of "casino gaming" at any New Jersey racetrack, unless casinos controlling a majority of the hotel rooms controlled by the casinos in Atlantic City otherwise agree; (c) a moratorium until January 2006 on the authorization of "casino gaming" at any New Jersey racetrack, the violation of which shall terminate the Agreement and all further payments to NJSEA and require that NJSEA return all undistributed cash and that CRDA return all undistributed donated CRDA obligations to the casinos; and (d) a license through August 2008, at no cost to the casino industry, for the display of messages promoting Atlantic City generally in prominent locations at the Meadowlands and Monmouth racetracks.

The NJSEA Subsidy Agreement finally provides that, if the Casino Expansion Fund Act is not enacted by the New Jersey Legislature by December 2004: (a) the casinos shall provide \$7 million in cash to NJSEA by December 10, 2004 and donate \$13 million from the regular payment of their CRDA obligations to NJSEA to, in the aggregate, be used by NJSEA to enhance such purses, fund such breeder's awards and establish such account wagering; (b) the moratorium on the conduct of "casino gaming" at New Jersey racetracks shall expire as of January 2006; and (c) the NJSEA Subsidy Agreement shall otherwise terminate.

In addition to the NJSEA Subsidy Agreement, prominent leaders of the New Jersey Legislature have publicly stated their intent that the Legislature, by December 2004, enact the Casino Expansion Fund Act; repeal in increments over a three year period, the 4.25% tax on complementaries it imposed as of July 2003; and, for four years, refrain from imposing any new or increased casino industry specific taxes.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC :SS,
:

James L. Wright, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before me this 14th
day of May, 2004

James L. Wright
Signature

Suzanne H. Wallowitch
Signature

Vice President of Finance
Title

003507-11
License Number

Suzanne H. Wallowitch
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires November 23, 2008
Basis of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal Casino Resort
Casino Licensee